

## Message Text

LIMITED OFFICIAL USE

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ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00  
FRB-03 INR-10 NSAE-00 ICA-11 XMB-02 OPIC-03 SP-02  
LAB-04 SIL-01 OMB-01 /063 W  
-----039578 150807Z /10

R 141400Z JUL 78

FM AMEMBASSY ROME

TO SECSTATE WASHDC 0000

TREASURY DEPT WASHDC

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PASS FRB

E.O. 11652: N/A

TAGS: EFIN, IT

SUBJECT: PORTOFOLIO CONSTRAINT NOT YET RENEWED FOR  
SECOND HALF 1978

REF: 77 ROME 11476

1. NOTWITHSTANDING ITALIAN PRESS REPORTS TO THE  
CONTRARY, THE COMMERCIAL BANKS' COMPULSORY INVESTMENT  
REQUIREMENT IN LONG-TERM SECURITIES HAS NOT YET BEEN OFFICIALLY  
RENEWED FOR THE SECOND HALF OF 1978. THE MEASURE  
FORMALLY EXPIRED AT THE END OF JUNE.

2. ALTHOUGH BANK OF ITALY GOVERNOR BAFFI FAVORS,  
IN PRINCIPLE, ABOLISHING THE CONSTRAINT, IT IS  
CONSIDERED UNLIKELY THAT HE WILL SUCCEED IN HAVING  
IT DROPPED. THE CONSTRAINT HAS BEEN IN EFFECT SINCE  
1973 IN ORDER TO ASSURE FLOW OF SAVINGS INTO LONGER-  
TERM ASSETS DURING RELATIVELY RAPID INFLATION. IT  
IS EXPECTED THEREFORE THAT THE CONSTRAINT WILL  
EVENTUALLY BE OFFICIALLY EXTENDED. GARDNER

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** BANKS, INVESTMENTS, FINANCIAL PROGRAMS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 14 jul 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978ROME12986  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780290-0755  
**Format:** TEL  
**From:** ROME  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1978/newtext/t19780759/aaaabxhz.tel  
**Line Count:** 55  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** ade80773-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 ROME 11476  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 05 may 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** N/A  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2002879  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** PORTOFOLIO CONSTRAINT NOT YET RENEWED FOR SECOND HALF 1978  
**TAGS:** EFIN, IT  
**To:** STATE TRSY  
**Type:** TE  
**vdkgvwkey:** odb://SAS/SAS.dbo.SAS\_Docs/ade80773-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014